



“SCOOP”

ARKANSAS FARM SERVICE AGENCY - - STATE OFFICE

May 9, 2003

PRODUCTION ADJUSTMENT/COMPLIANCE/PAYMENT LIMITATIONS

Direct and Counter-Cyclical Program (DCP)

Major Deadlines Approach for DCP.

May 16, 2003, is the final date for owners' signatures on CCC-515 for Direct and Counter-Cyclical Program (DCP) Base and Yield Elections form to be returned to the county office. Farms without proper signatures by close of business (COB) May 16, 2003, will receive previous year's Production Flexibility Contract acres plus eligible oilseeds as the base acres.

June 1, 2003, is the deadline to have all producer signatures on CCC-509, Direct and Counter-Cyclical Program Contract and supporting documents for fiscal years 2002 and 2003. Supporting documents include:

- CCC-502, Farm Operating Plan for Payment Eligibility Review
- AD-1026, Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification.
- CCC-526, Payment Eligibility Adjusted Gross Income Certification

September 30, 2003, is the deadline for producers to execute Successor-in-Interest (S&I) contracts for DCP for changes that occurred for fiscal years 2002 and 2003. The following are examples of reasons producers must execute S&I contracts:

- A transfer or change in the interest of a producer on the farm
- Sale of land
- Change of operator or producer
- Foreclosure, bankruptcy, or involuntary loss of the farm
- Change in producer shares.

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Failure to execute the S&I contract will:

- Terminate the existing contract
- Require refund of all previously issued payments
- Prevent any producer from being eligible for payments for the fiscal year.

2001 and 2002 Crop Disaster Program (CDP)

Details on the CDP programs should be available soon. Plans are underway for State and County FSA employees to be trained by the June 6, 2003, signup beginning date. Currently, general information may be obtained from the following website:

<http://disaster.fsa.usda.gov/>.

Reconstitutions

August 1, 2003, is the deadline for producers to request Fiscal Year 2003 farm combinations and farm divisions if participating in DCP.

Farm Combinations: Farms with the same owner and operator must be combined into a single farm. Land with different owners may be combined if all of the land is operated by one producer with all of the following elements in common and substantially separate from other tracts:

- Labor
- Accounting system
- Management

Farm Divisions: Farms may be divided provided proper signatures are timely obtained and provisions allow. Distribution of DCP bases are determined by the method of division. FSA has a set priority order for divisions that are followed. Understanding these priorities may ensure you receive the desired base acres upon completion of the division.

Method and Priority Order for Farm Divisions

- Estate: Used when a will or written agreement by heirs state the distribution of base acres.
 - Landowner Designation Method: Used when land is sold/transferred with a written agreement by the buyer/transferee or seller agreeing to the distribution of base acres: Note: The seller/transferor must have owned the land at least three years.
 - Default: Used when the estate and landowner designation method does not apply. This method distributes bases to the new farms at the tract level as they were distributed on the parent farm before reconstitution.
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PRICE SUPPORT

May 31, 2003 is Final Date to Provide Production Evidence for Cotton Modules that have a Locked-In Repayment Rate

Liquidated damage penalties apply to each storage unit (module) of an LDP application that is based on a locked-in rate and no production evidence is submitted for one or more modules by May 31, 2003. Producers will be notified of any applicable liquidated damages by June 30, 2003.

2003 Crop Rice Loan Rates Announced

The following table provides loan values for whole kernel and broken rice. Farm stored loan rates for Arkansas are also provided.

| Rough Rice Class | Whole Kernels (Cents Per Pound) | Broken Rice (Cents Per Pound) | Farm Stored Loan Rate (Dollars per Cwt.) |
|------------------|------------------------------------|----------------------------------|---|
| Long Grain | 10.65 | 5.33 | \$6.65 |
| Medium Grain | 9.65 | 5.33 | \$6.11 |
| Short Grain | 9.65 | 5.33 | \$6.18 |

FSA Announces Signup for 2002 Crop Cottonseed Payment Program

Sign-up for the 2002-crop cottonseed payment program is May 2 - May 23, 2003. The program, authorized by the Agricultural Assistance Act of 2003, provides \$50 million to help cotton ginners and producers recover from low 2002-crop cottonseed prices.

Program applications are currently being mailed to ginners, who must submit completed forms to FSA headquarters by May 23, 2003, in order to be considered for payment. All Companies that ginned 2002-crop cotton are eligible for program payments which are expected to be made in early June 2003. Ginners who do not receive their application by May 5 should contact Gene Rosera, FSA Price Support Division, at (202) 720-8481, or by e-mail at gene_rosera@wdc.usda.gov.

PROGRAM DEADLINES

| Program | Deadline |
|---|--------------------|
| Reporting Acreage of Fall-Seeded Crops | May 15, 2003 |
| All DCP Base and Yield Elections | May 16, 2003 |
| Final Date to Request 2002 Crop Loans and LDP's | May 31, 2003 |
| Boll Weevil Eradication Program Intended Acres; Pay half of Boll Weevil Eradication Program Assessment Fee | May 31, 2003 |
| 2002 and 2003 DCP Participation Enrollment | June 2, 2003 |
| Farm Reconstitutions if Participating in DCP | August 1, 2003 |
| Year 4 Lamb Meat Adjustment Assistance Program (LMAAP) Sign-up | August 15, 2003 |
| DCP Successor-in-Interest | September 30, 2003 |